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DEPARTMENT PLEASE PASS TO NSC FOR ADAM STERLING

E.O. 12958: DECL: 06/17/2017
TAGS: [PREL](#) [PGOV](#) [PINR](#) [RU](#) [HU](#) [ENRG](#)
SUBJECT: OPENING DOORS AND OPENING EYES: PM GYURCSANY ON
RELATIONS WITH THE U.S. AND RUSSIA

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶1. (S) Summary: PM Gyurcsany and his wife, Dr. Klara Dobrev, joined Ambassador Foley for lunch June 17. Discussion focused on Russia policy, with a tense, reticent and often defensive Gyurcsany expressing his desire "not to get caught in the middle" of the declining US-Russia relationship. He urged broader US-Hungary consultations to avoid "further misunderstandings," an invitation we gladly accepted in order to prevent further drift in Hungary's foreign policy. End Summary.

DOMESTIC POLITICS: NOTHING TO SEE HERE ...

¶2. (C) Arriving the day after announcing a reshuffle in his cabinet, PM Gyurcsany was nonetheless disinclined to discuss his personnel moves. He touched only briefly on domestic politics, agreeing with his wife's observation that most Hungarians seem to regard the present austerity measures as temporary. (Note: This theory is supported by the reported increase in temporary loans, suggesting that Hungarians have a degree of confidence that the economy will rebound in the foreseeable future. End Note.) The economic impact of reforms, he suggested, has been accentuated by the unrealistically high expectations of the average Hungarian.

WHY ME?

¶3. (S) Turning to foreign policy, Gyurcsany admitted frankly that the GoH had completely "missed" the downturn in US-Russian relations. He believes that Hungary's contacts with Russia have been viewed through the lens of our declining bilateral relationship, and that Budapest is accordingly seen as being closer to Moscow than it actually is. He noted that his task is to avoid being "lumped in with Russia" or "caught in the middle." Naming the other European governments with bilateral energy deals with Russia, Gyurcsany implied that Hungary had been singled out for criticism because "no one can criticize Germany."

A TRIP TO RUSSIA ... BUT "NO RUSSIAN STRATEGY"

¶4. (S) Seeking to "avoid any misunderstanding," Gyurcsany confirmed reports from the media and opposition politicians that he is planning another trip to Russia this year. He described the trip, organized around a visit to Finno-Ugric speaking communities with Putin and the Finnish President (but not an Estonian representative), as "completely without any political agenda."

¶5. (S) Continuing on Russia, Gyurcsany predicted matter-of-factly that "Putin will be back." He downplayed any Russian "Hungary strategy," suggesting that Moscow views Budapest only in the context of its relationship with the EU. He believes Putin's top priority remains its immediate neighbors, especially in Central Asia, and predicted that

Moscow will ultimately "go along" on Kosovo despite its present rhetoric.

THE HIGH ROAD AND THE ROAD NOT TRAVELLED

¶16. (S) Commenting that "it takes two parties to have a bad relationship" and comparing the situation to a marital dispute, Gyurcsany urged us not to respond to Russian rhetoric. He maintained that much of the present dynamic is the unintended consequence of America's actions in Iraq, urging us to recognize our relationship with Hungary as a "two-way street" by "increasing our consultations" in order to "help our alliance" deal with this issue. He seized on the reported prospect of Deutsch Telecom's sale of the Hungarian telecom company to a suspect Russian concern, asking repeatedly why "your intelligence services didn't tell me about it." He will go directly to Chancellor Merkel to request her intervention to stop the sale, but pressed us for broader and more frequent consultations with the US.

A NIGHT AT THE IMPROV

¶17. (S) Note: Departing lunch to give a speech, Gyurcsany remarked that he continues to improvise his public addresses around "key points and phrases." His remarks - and often his policies - continue to have an improvisational quality about them, but insiders note that he has been sticking to a written script on energy issues on the advice of his advisors in order to avoid compounding his previous statements. Foreign Policy Institute Director Pal Dunai credits US engagement with the PM's newfound circumspection, but warns that "it's always hard to keep the PM on message." End Note.

A WORD TO THE WISE

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¶18. (S) Comment: Though very likely prepped by advisors to make clear his commitment to the trans-Atlantic relationship, the Prime Minister clearly regards questions re Hungary's Russia policy in very personal terms. On this issue - and others - he is still prone to lay blame anywhere but his own door. That said, he has opened the door to broader consultations and we should waste no time in walking through.

Though Gyurcsany's assertion that Hungary "missed" the impact of Russian behavior on our bilateral relationship is more convenient than credible even with the well-known problems in the Prime Minister's Office. Hungarian officials do feel far removed from our deliberations. To prevent the still delicate issue of energy security from becoming the rule and not the exception in our relationship, we urge high-level officials travelling to Europe to add Hungary to their itineraries in order to keep the GoH informed ... and on board. End Comment.

FOLEY